

111TH CONGRESS  
1ST SESSION

# H. R. 1882

To amend the Truth in Lending Act to provide safeguards for credit card holders whose accounts were, or are about to be, terminated for inactivity, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 2009

Mrs. DAVIS of California (for herself and Mr. JONES) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Truth in Lending Act to provide safeguards for credit card holders whose accounts were, or are about to be, terminated for inactivity, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PROVISIONS RELATED TO CREDIT CARD TER-**  
4 **MINATIONS DUE TO INACTIVITY.**

5 (a) IN GENERAL.—Section 127 of the Truth in Lend-  
6 ing Act (15 U.S.C. 1637) is amended by adding at the  
7 end the following new subsection:

8 “(i) PROVISIONS RELATED TO CREDIT CARD AC-  
9 COUNT TERMINATIONS DUE TO INACTIVITY.—

1           “(1) TERMINATION NOTICE.—A credit card ac-  
2           count under an open end consumer credit plan shall  
3           not be terminated for inactivity unless, not less than  
4           60 days prior to the date of such termination, the  
5           card issuer transmits to the cardholder a clear and  
6           conspicuous disclosure that the cardholder’s account  
7           will be terminated for inactivity, along with the ex-  
8           pected date of such termination.

9           “(2) NO TERMINATION FOR INACTIVITY IF  
10          CARD IS USED WITHIN NOTICE PERIOD.—If, after  
11          receiving the disclosure described under paragraph  
12          (1), but before the termination of the account for in-  
13          activity, a cardholder uses the credit card, then the  
14          credit card account cannot be terminated for inac-  
15          tivity.

16          “(3) REQUIRED 30-DAY REACTIVATION WIN-  
17          DOW.—

18                 “(A) IN GENERAL.—If, within 30 days  
19                 after the date of the termination for inactivity  
20                 of a credit card account under an open end con-  
21                 sumer credit plan, the cardholder notifies the  
22                 card issuer that the cardholder wants to con-  
23                 tinue using the credit card account, the card  
24                 issuer shall reopen the account.

1           “(B) USE REQUIRED WITHIN 30 DAYS.—

2           With respect to an account reopened under sub-  
3           paragraph (A), the card issuer may perma-  
4           nently close such account if the cardholder does  
5           not make use of the credit card account within  
6           30 days after the date of the reopening of such  
7           account.

8           “(4) APPEAL OF TERMINATION DUE TO  
9           ERROR.—If, within 60 days after the date a credit  
10          card account under an open end consumer credit  
11          plan is terminated for inactivity, the cardholder of  
12          such credit card account notifies the card issuer that  
13          the cardholder believes the account was terminated  
14          for inactivity due solely to an administrative or cler-  
15          ical error on the part of the card issuer, the card  
16          issuer shall make an investigation to determine  
17          whether such an error occurred. The card issuer  
18          shall transmit to the cardholder the results of such  
19          investigation and, if the card issuer determines that  
20          such an error did occur, the card issuer shall reopen  
21          the credit card account.”.

22          (b) EFFECTIVE DATE; REGULATIONS.—

23                 (1) IN GENERAL.—The amendment made by  
24                 subsection (a) shall take effect 90 days after the  
25                 date of the enactment of this Act with respect to all

1 credit card accounts under open end consumer credit  
2 plans.

3 (2) REGULATIONS.—The Board of Governors of  
4 the Federal Reserve System, in consultation with the  
5 Comptroller of the Currency, the Director of the Of-  
6 fice of Thrift Supervision, the Federal Deposit In-  
7 surance Corporation, the National Credit Union Ad-  
8 ministration Board, and the Federal Trade Commis-  
9 sion, shall, within 90 days after the date of the en-  
10 actment of this Act, prescribe regulations, in final  
11 form, implementing the amendment made by sub-  
12 section (a).

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